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IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for the Idaho Conservation League

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	
APPLICATION OF ROCKY)	CASE NO. PAC-E-16-07
MOUNTAIN POWER REQUESTING)	
AUTHORITY TO MODIFY ELECTRIC)	IDAHO CONSERVATION LEAGUE
SERVICE SCHEDULE 135 – NET)	
METERING SERVICE)	COMMENTS

COMES NOW the Idaho Conservation League (ICL) with the following comments regarding Rocky Mountain Power's (RMP) request to raise the net metering cap. As explained fully below, ICL encourages the Commission to follow the same logic as applied to Idaho Power's request to modify the net metering cap for that utility. Instead of applying a program cap set at an arbitrary amount of kilowatts, the Commission should find it "reasonable and prudent for the Company to closely monitor the net metering service and to provide an annual appraisal of the service's status and impact on the reliability of the Company's system." *Order No 32846 at 7.*

Net Metering Program Cap

ICL agrees that a possible purpose of capping the net metering capacity is to provide a check-in point to review the program and make any warranted and reasonable adjustments. ICL also acknowledges the RMP attempted to calculate a cap that accounted for possible growth in net metered system until roughly 2018 and proposes a program cap of 2 megawatts. *Application at 7.* But, it is system reliability and potential cost impacts that matter, not just a number based on RMP's vision of potential growth. Two megawatts of net metered systems is simply not a meaningful number when the eastern portion of RMP's system has 6,910 MW of capacity and 897 MW of reserves, and the western portion has another 3,221 MW of capacity and 412 MW of reserves. *PacifiCorp 2015 IRP Update at 31.* Even assuming Idaho is 5% of PacifiCorp's system, 2 MW here is *de minimus*, not a meaningful program cap.

To maintain consistency across Idaho's investor owned utility customers, ICL recommends the Commission treat RMP just as Idaho Power and decline to set an overall capacity cap for the net metering program. RMP makes clear in the Company application they intend to address net metering more fully in 2017, so the Commission already has a time frame for further check in on the program. Because the program cap is not required to address any identified reliability issue, and not necessary to ensure a specific time for further program review, the Commission should not impose an arbitrary limit on the program.

Net Metering Cost Report

As the Commission directed in 2003, RMP included along with the request to adjust the net metering cap a "report" on the "differential between the net metering purchase price it pays at retail sales rates and the wholesale cost of alternative power supplies." *Application at 3 – 4*. ICL notes RMP is not requesting any changes to the rates applied to net metering in this case, but clearly intends to propose changes in the next general rate case. As stakeholders in Idaho prepare for this next round of net metering debates, ICL submits it is important to make apples-to-apples comparisons, which comparing retail rates to wholesale power does not achieve.

Retail rates based on cost of service should reflect not just wholesale generation, but all of the costs to deliver an electron to a specific customer, properly bill that customer, and effectively collect said costs. An electron generated by a net-metered system is one that is immediately useful to the customer, or the next physically closest load. An electron bought on the wholesale market is not useful to a RMP customer until delivered to the point of use. So, even if RMP could procure wholesale power as an alternative to net metering, that wholesale price of generation is just the tip of the cost iceberg. An apples-to-apples comparison would compare the cost of providing useful electric service to the end user, either from customer sited generation, excess generation produced at the distribution level, or alternative wholesale purchases. Comparing the cost of electricity at the point of use to the "average monthly Mid-Columbia ("Mid-C") wholesale power price is simply not a meaningful or complete comparison.

Further, it is not at all clear that the average monthly Mid-C price has any direct connection to the value of excess net energy produced and delivered in RMP's Idaho service territory. There is no showing that RMP has transmission access to deliver this alternate power to end users in Idaho. There is no attempt to align the timing of excess generation with actual

market prices at the same time. To inform stakeholders, ICL recommends the Commission direct RMP to produce a report that more accurately compares the value of excess net generation arising from net metering to delivering alternative sources of power to end users in RMP's Idaho service territory at the same time of the day, month, and year.

Cap on Individual Participation

ICL notes an additional issue that RMP proposes in the tariffs, but not in the Application – a limit on the total amount of program capacity a single customer may connect, which RMP proposes to change from 20% down to 5%. *First Revision of Tariff Sheet 135.1*. In 2003, RMP explained this provision was intended to “make these schedules available to a wider range of customers.” *Order No 29260 at 3*. But RMP offers no explanation for changing this provision in a manner that will only limit the ability of individual customers to participate in the program. As ICL explains above, the proposed 2 megawatt program cap is essentially an arbitrary number not based on any indication of system reliability needs or any meaningful analysis of costs. And the limit on individual customers to deploy no more than 5% of this total, or 100 kw, is another arbitrary number untethered to any identified issue. If RMP's goal was truly to “make these schedules available to a wider range of customers”, then the Company would propose a program cap based on the physical ability of the system to integrate net metered projects and then allow individual customers to select the size of system best suited to their individual needs.


Instead of layered arbitrary limits on participation, ICL proposes the following as a more accurate way to facilitate customer participation while preserving the intent of net metering to allow customers to offset their own loads: each customer may install a system that is no larger than 120% of the customer's average monthly load. Applying a cap to individual systems, as opposed to the program as a whole, allows each customer to design a system that reflects their use, not adhere to an arbitrary limit. Using this per-system cap will also prevent customers from building systems intended to generate excess energy. ICL proposes the 120% of average monthly load cap to account for uncertainty in system performance and growth in household consumption. Any individual system cap set at less than 100% of energy consumption merely prohibits individual Idahoans from being self-sufficient. Because an individual system cap is more equitable, reflects the true purpose of net metering, and still limits the potential for cost

shifting issues (if they even exist) ICL recommends the Commission reject RMP's proposal to limit individual customers to only 100 kw of net metered systems.

Conclusion

ICL recommends the Commission align RMP's net meter tariff with Idaho Power's by declining to impose a program wide cap until the utility can demonstrate a meaningful issue with system reliability. To inform the inevitable debate on rate design, we recommend the Commission order RMP to produce a report that compares the value of excess net generation arising from net metering to delivering alternative sources of power to end users in RMP's Idaho service territory at the same time of the day, month, and year. And to make the program available to the widest set of customers, ICL recommends the Commission impose a per-system cap rather than cap a customer's share of the program.

Respectfully submitted,


Benjamin J. Otto
Idaho Conservation League

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of April, 2016 I delivered true and correct copies of the foregoing Comments to the following persons via the method of service noted:

Hand delivery:

Jean Jewell
Commission Secretary (Original and seven
copies provided)
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